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	S S S S S S S S S S S S S S S S S S S	stant to the Pres	ident for	
		cional Security A	ITAITS	
•	SUBJECT: Curre	nt Status of Host	tage Crisis	
•	and	the Implications	s of U.S.	
	POI	icy Options		25X1
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	Attached is a bri summarize:	ef paper that att	tempts to	
••	- current s	ituation in Iran;		
	- impact on	Iran and other k	'ev nations	
	or several course	s of action we mi	ght take	
	over next six mon	ths or so.		25X1
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## MEMORANDUM

CURRENT STATUS OF THE HOSTAGE CRISIS AND THE IMPLICATIONS OF US POLICY OPTIONS

The continuing lack of movement on the hostage issue reflects both the political cost to any Iranian leader of favoring a resolution of the crisis and Ayatollah Khomeini's personal refusal to reverse his position. --Bani-Sadr and other moderates on the hostage issue have apparently halted their efforts to have the captives released. The moderates clearly calculate that if they sponsor any new effort to resolve the crisis they will be damaged politically. --Movement toward releasing the hostages might begin if Beheshti or another leader could achieve a clearly predominant political A resolution of factional conflict position. seems unlikely, however, any time soon. Khomeini has actively reentered politics, preventing any one leader or faction from making significant gains. --Khomeini's policy that the National Assembly must decide the issue--which shifts the moral and political costs of any decision to others-will delay any movement for weeks or possibly months until the Assembly takes up the hostage question. There is no indication that the Assembly will soon complete its initial tasks of establishing procedures and considering the nomination of a prime minister and cabinet.

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--The US low profile allows Bani-Sadr and other moderates to disassociate themselves from the hostage question while they attempt to strengthen their political position against competing groups including both clerical hardliners and leftists.

--A continuing low level of public interest in the hostages could contribute to a decline in the political utility of trying or holding them. This might eventually allow moderates to gather more support for resolving the crisis.

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This approach relies on internal Iranian mechanisms to solve the crisis and recognizes the limitations of any US initiative. It has the flaw that once National Assembly debate on the hostages begins, Iranian public attention will be redirected to the hostages regardless of US policy. Clerical hardliners and the militants probably will renew their calls for trials once the Assembly begins debate.

## Policy Initiatives Without Renewing Threats

The US could take more active steps but not renew threats to Iran. We could make new expressions of concern for the physical condition of the hostages, continue efforts to orchestrate further diplomatic initiatives by third parties,

--Iranian leaders including Khomeini have been sensitive to any charges concerning the welfare of the hostages. Expressions of humanitarian concern have produced movement in the past-including visits by outside observers and some accounting of the hostages' condition. An approach by an international agency or third party might at least yield information on the location of the hostages. Iranian public opinion could be reminded of the moral costs of continuing to hold the hostages. A flaw in this approach is that it could be rebuffed on grounds of the need for security following the rescue effort. It also revives Iranian interest in the hostages and could present

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new political problems for Bani-Sadr.

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	Renewed indirect diplomatic initiatives could
	be targeted on clerical leaders rather than
<b>5</b> 1/4	the secular moderates on the hostage issue.
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	· [ Rep-
	resentatives of Islamic states or religious
•	organizations could be asked to present a case
	for the hostages based on Islamic law to
	Ghodussi, senior ayatollahs such as Shariat-
	Madari, and other clerics. The Islamic
	month of Ramadan, which begins in July, pre-
	sents a timely opportunity for such demarches.
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	Pogua on the immediate basis of the 22
	Focus on the immediate hostage issue should
EV4	not distract us from longer term US interestsin Iran.
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	supported Tudeh party continues to gain
	politically from its current policy of pub-
	licly supporting Khomeini. Following
	Khomeini's death, the Tudeh party's recruit-
	ment efforts among the military, students,
	and workers could leave it in a strong
	position relative to the less organized
	clerical and moderate groups.
	The state of the s
	Policy Options Renewing Threats
	The advantages of the low public attention to the hostages
	in Iran will be reduced when the National Assembly begins
	debate on the issue. Moreover, the low profile US approach
	may reinforce an Iranian public perception that there are
	few costs to continuing to hold the hostages. A renewed
	high profile US approach to the Iranian crisis, on the other
*	hand, risks heightening pressure for trials of the hostages.
	New initiatives might also weaken Bani-Sadr by forcing him to
	respond, making him the target of attacks by clerical hard-
5X1	liners.
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An opportunity for a shift in US policy may be provided if the National Assembly calls for hostage trials or if the crisis continues after a significant anniversary such as the one year point this November 4th. At that time the US could initiate further major diplomatic efforts to isolate Iran or undertake military moves such as a naval blockade, mining, or violating Iranian airspace.

Military action would do little to influence Iranian moderates who are already aware of the costs of holding the hostages. Military moves would also play into the hands of clerical hardliners who have been able to deflect public criticism to the US in the past when we have taken a tough position. The justifications for further military moves would be to punish Iran; to indicate to world opinion the importance we attach to the hostage crisis and the inviolability of diplomatic missions generally; and to demonstrate that although we are capable of being patient, there is a limit to which this superpower can be pushed; and to ward off danger that continued stalemate between the US and Iran will enhance the probability of a takeover in Iran by forces of the left, if not the Soviet Union. Military action would risk the US being charged with overreaction, adding to tensions in the area and setting in motion developments that could have more far-reaching adverse consequences.\_\_\_\_

The dilemma for the US remains that we lack direct leverage to influence decision-makers or public opinion in Iran.

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